

Program C: Medicare Buy-Ins and Supplements

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2003-2004. Objectives may be key or supporting level. The level of the objective appears after the objective number and before the objective text.

Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document. Performance indicators may be key, supporting, or general performance information level. Key level is indicated by a "K" in the "Level" column of the standard performance indicator table. Supporting level is indicated by an "S" in the "Level" column of the standard performance indicator table. General Performance Information indicators appear in tables labeled as General Performance Information.

Proposed performance standards do not reflect the most recent budget adjustments implemented by the Division of Administration during development of the FY 2003-2004 Executive Budget. Rather, proposed performance standards indicate a "To be established" status since the agency had insufficient time to assess the full performance impacts of the final Executive Budget recommendation. As a result, during the 2003 Legislative Session, the agency will seek amendments to the General Appropriations Bill to identify proposed performance standards reflective of the funding level recommended in the Executive Budget.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-306 Medical Vendor Payments
 PROGRAM ID: Program C: Medicare Buy-Ins and Supplements

1. (KEY) To save the State of Louisiana a minimum of \$___ million by purchasing Medicare premiums for elderly, indigent citizens, rather than reimbursing the total cost of their health care.

Strategic Link: This objective implements Goal I, Objective I.1 of Program C, Medicare Buy-Ins and Supplements, of the revised strategic plan: *To save the State of Louisiana a minimum of 259 million by purchasing Medicare premiums for elderly, indigent citizens, rather than reimbursing the total cost of their health care with the State General Fund dollars.*

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Payments as follows: Goal Three: *To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana a unique place to live, work, visit, and do business.* Objective 3-7: *To improve the quality of life of Louisiana's children.* Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Payments is actively engaged in supporting Goal One, Objective 8 of Vision 2020: Goal One: *To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of businesses, the efficiency of governmental institutions, and the quality of life of citizens.* Objective 8: *To improve the efficiency and accountability of governmental agencies.*

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: Medicare is a health insurance program for people 65 years of age and older, certain younger people with disabilities, and people with End-Stage Renal Disease (people with permanent kidney failure who need dialysis or transplant). Medicare has two parts: Part A (hospital insurance) and Part B (medical insurance). Part B helps pay for doctors, outpatient hospital care and some other medical services that part A does not cover, such as the services of physical and occupational therapists.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
2263	K	Total number of Buy-In eligibles	122,600	124,651	127,500	127,500	146,050 ¹	To be established
2266	K	Total savings (cost of care less premium costs for Medicare benefits)	\$259,938,183	\$360,230,679	\$293,615,000	\$293,615,000	\$498,960,000 ²	To be established
2264	S	Buy-In Expenditures (Part A)	\$18,450,105	\$15,466,049	\$17,388,000	\$17,388,000	\$32,490,900 ¹	To be established
2261	S	Total number of recipients (Part A)	4,100	3,916	4,500	4,500	8,450 ¹	To be established
2265	S	Buy-In Expenditures (Part B)	\$72,528,000	\$77,416,678	\$82,234,500	\$82,234,500	\$104,277,852 ¹	To be established
2262	S	Total number of recipients (Part B)	118,500	120,735	123,000	123,000	137,600 ¹	To be established

¹ Part A projections: DHH is seriously considering the cost-effectiveness of becoming an auto-accrete Part A Buy-in state which could increase the Part A buy-in recipients by approximately 4,000. This expansion is reflected in the '04 budget request. Part B projections: The recipient increase is based on the effect of the Social Security Administration's outreach as well as our own outreach activities.

² Based on trend analysis. SFY 00-02 actual was adjusted by 38.6%.

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GENERAL PERFORMANCE INFORMATION:						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
2266	Total savings (cost of care less premium cost)	\$247,724,858	\$264,134,787	\$278,777,246	\$287,857,934	\$360,230,679